

## **Questions from Kaiapoi residential red zone workshop**

8 February 2012, Kaiapoi Working Men's Club

Answers provided by CERA

### ***The Government's role***

**1. Will the Government step in and regulate the insurance companies? The way they are delaying and minimising?**

The Government is closely monitoring the insurance market. The Government's role is not to intervene, but to set the appropriate framework to enable the market to operate effectively.

### ***Land decisions***

**1. How does land zoning work, red one property and next door is green?**

Zones were established based on the severity and extent of land damage, the cost-effectiveness and social impacts of land remediation. Red Zones have been declared in areas where there is area-wide damage and an engineering solution to remediate the land damage would be uncertain, disruptive, not timely, nor cost effective and the health and wellbeing of residents would be at risk from remaining in the area for prolonged periods.

**2. How do they work out zoning where the property next door could be red and mine is green?**

Zones were established based on the severity and extent of land damage, the cost-effectiveness and social impacts of land remediation. Red Zones have been declared in areas where there is area-wide damage and an engineering solution to remediate the land damage would be uncertain, disruptive, not timely, nor cost effective and the health and wellbeing of residents would be at risk from remaining in the area for prolonged periods.

**3. Are zoning decisions made on an economic basis only or what is the break down?**

Zones were established based on the severity and extent of land damage, the cost-effectiveness and social impacts of land remediation. Red Zones have been declared in areas where there is area-wide damage and an engineering solution to remediate the land damage would be uncertain, disruptive, not timely, nor cost effective and the health and wellbeing of residents would be at risk from remaining in the area for prolonged periods.

**4. How do we ask for a review on our property from red to green?**

The Government's priority at present is to complete zoning decisions on all Orange and White zoned properties. As such, no review process has been agreed to by Cabinet at this time. If you have concerns about your zoning you can call or email the CERA contact centre.

**5. If we were to get a site specific geotech report done and a solution given for our land, could the zoning change?**

No. Decisions have been made on an area-wide basis and the cost and time involved in restoring infrastructure and services to these areas.

## **6. What faith should we have in zoning decisions?**

The Government has used the best available information to make these decisions. They have been made to enable the rebuild objectives of certainty of outcome for home-owners, create confidence for people to be able to move forward with their lives, creating confidence in the decision making processes (for home owners, business owners, insurers, and investors), using the best available information to inform decisions and having a simple process in order to provide clarity and support for land-owners, residents and businesses in those areas.

## **7. What are the criteria for the red zone?**

Zones were established based on the severity and extent of land damage, the cost-effectiveness and social impacts of land remediation. Red Zones have been declared in areas where there is area-wide damage and an engineering solution to remediate the land damage would be uncertain, disruptive, not timely, nor cost effective and the health and wellbeing of residents would be at risk from remaining in the area for prolonged periods.

## **8. Why am I red zone? What were the criteria, cost or health and safety?**

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## **9. When are the appeals in terms of red zoning to green zoning going to happen?**

The Government's priority at present is to complete zoning decisions on all Orange and White zoned properties. As such, no review process has been agreed to by Cabinet at this time. If you have concerns about your zoning you can call or email the CERA contact centre.

## ***Geotechnical issues***

### **1. Pre-red zone zoning, why was my property changed from B to C?**

Zoning decisions were based on information that became available after 22 February and 13 June 2011 earthquakes. Different remediation approaches had to be considered after February 2011 due to further damage on a greater scale.

### **2. Are hard copies of geotech information required?**

All geotechnical information is available on the EQC website to download and print.

### **3. How does development of new subdivisions continue on similar land to red zone?**

Any new subdivisions are subject to geotechnical investigations and must meet DBH, Council and ECAN consenting regulations and guidelines.

**4. How will I know when buying future land in subdivisions what land is like?**

Land information for all residential properties is outlined on the LIM (CCC) and ECAN's area wide information. Geotechnical reports are being prepared for all new subdivisions and they can be made available by the developer.

**5. How will other land in areas of Kaiapoi act in future earthquakes?**

Technical Category 1 (TC1) – future land damage from liquefaction unlikely.

Technical Category 2 (TC2) – minor to moderate land damage from liquefaction is possible in future large earthquakes.

Technical Category 3 (TC3) – moderate to significant land damage from liquefaction is possible in future large earthquakes.

Refer to [www.dbh.govt.nz/canterbury-earthquake-residential-building](http://www.dbh.govt.nz/canterbury-earthquake-residential-building)

**6. What is the land like in other parts of North Canterbury?**

Land information for all residential properties is outlined on the LIM (CCC) and ECAN's area wide information. Where technical categories were not established a geotechnical report will be needed to determine the performance of the land.

**7. How will foundations perform in other future earthquakes?**

Technical Category 1 (TC1) – future land damage from liquefaction unlikely.

Technical Category 2 (TC2) – minor to moderate land damage from liquefaction is possible in future large earthquakes.

Technical Category 3 (TC3) – moderate to significant land damage from liquefaction is possible in future large earthquakes.

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**8. How many foundations have been approved under the new building code?**

The new TC3 foundation solutions are yet to be finalised and guidance is expected to be released in late April 2012 by the Department of Building and Housing.

**9. When building a new home, will there be clear geotechnical guidance around foundations? How will the council work around this?**

Yes, the new TC3 guidance will address this and DBH will work closely with Councils, CERA, EQC and Insurance companies to work through this process.

***Future use of land***

**1. Can residents buy back red zone land in the future?**

A policy for the future use of Red Zone land has yet to be developed. Once zoning decisions have been completed, this will be a priority for the Government.

**2. What is the long-term plan for the residential red zone and what is the timeframe?**

A policy for the future use of Red Zone land has yet to be developed. Once zoning decisions have been completed, this will be a priority for the Government.

### ***Tenancy***

**1. What happens to my tenants when I confirm a sale and purchase agreement? Their tenancy is to 2014. What are their legal rights and do I get compensated from my loss of rent when I sign the sale and purchase agreement?**

*a. How is it going to work out with insurance? It is not clear cut with rentals.*

We recommend that you discuss this with your lawyer. If unexpected circumstances mean a landlord or tenant need to end a fixed-term tenancy early, then they may apply to the Tenancy Tribunal to end the tenancy.

### ***Lawyers***

**1. Are there any guidelines or regulations regarding legal costs? Is there a social responsibility?**

There are no specific guidelines or regulations around legal costs incurred by property owners in the Red Zone in Canterbury selling properties to the Crown. However Cabinet has agreed that the Crown will contribute up to 50 percent of the legal costs, up to a maximum contribution of \$750 plus GST for Option 1 and \$500 plus GST for Option 2. This amount is paid directly to your lawyer on settlement.